

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SS-15 EB-07 NSC-05 TRSE-00 AGR-05

COME-00 AID-05 STR-04 OES-03 FEA-01 INT-05 PRS-01

CIAE-00 INR-07 NSAE-00 CIEP-01 SP-02 /072 W

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P R 021830Z JUL 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 139

INFO AMEMBASSY CARACAS

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

C O N F I D E N T I A L SECTION 1 OF 2 BRASILIA 5422

E.O.11652: GDS

TAGS: ENRG, BR, BE, ETRD, PFOR, EGEN

SUBJECT: UNDER SECRETARY ROBINSON'S ECONOMIC CONSULTATION TRIP

REF: STATE 150289

EMBASSY WELCOMES THE SCENARIO OUTLINED IN REFTTEL
AND BELIEVES IT WILL PROVIDE THE BASIS FOR USEFUL,
MUTUALLY BENEFICIAL DISCUSSIONS. AMBASSADOR INVITES
UNDER SECRETARY ROBINSON TO STAY AT RESIDENCE.

2. ECON COUNSELOR HAS DISCUSSED PROGRAM AT VARIOUS
LEVELS IN FONOFF. ON THE BASIS OF THESE CONSULTATIONS,
WE PROPOSE FOLLOWING TENTATIVE SCHEDULE:

(A) THURSDAY, JULY 10

(1) MORNING: CHECK-IN, FOLLOWED BY REST PERIOD.

(2) 11:00 HOURS -MEETING WITH AMBASSADOR AND
SENIOR EMBASSY OFFICERS.

(3) 15:00 HOURS -MEETING AT FOREIGN OFFICE WITH
AMBASSADOR CABRAL DE MELLO. THERE IS POSSIBILITY THAT
REPRESENTATIVES FROM OTHER MINISTRIES MAY PARTICIPATE
IN PART OF THIS MEETING. SUBJECTS WOULD BE
THE PRODUCER-CONSUMER DIALOGUE, OTHER GLOBAL
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ISSUES (EXCEPT FOR INTERNATIONAL MONETARY ISSUES

AND AID MATTERS), HEMISPHERIC ISSUES (EXCLUDING THE IDB, AND ANY MAJOR BILATERAL ISSUES WHICH EITHER SIDE WISHES TO RAISE.

(4) 20:30 HOURS - COCKTAIL BUFFET OR DINNER PARTY HOSTED BY AMBASSADOR AT RESIDENCE.

(B) FIDAY, JULY 11

(1) MORNING (1) UNDER SECRETARY ROBINSON, ACCOMPANIED BY AMBASSADOR WOULD CALL ON VARIOUS MINISTERS AT THEIR RESPECTIVE OFFICES. WITH SIMONSEN HE WOULD DISCUSS INTERNATIONAL MONETARY ISSUES: BRAZIL'S BALANCE OF PAYMENTS OUTLOOK, MACRO-ECONOMIC MANAGEMENT, AND POLICY TOWARD FOREIGN INVESTMENT: AND ISSUES RELATED TO MULTILATERAL FINANCIAL INSTITUTIONS SUCH AS THE IDB. UEKI WOULD BE INTERESTED IN ENERGY POLICY (INCLUDING THE NUCLEAR ENERGY ISSUE, WITH WHICH UEKI HAS BEEN PRINCIPALLY CONCERNED, SHOULD MR. ROBINSON WISH TO ADDRESS THIS TOPIC IN ANY WAY). REIS VELLOSO WOULD WISH TO DISCUSS BRAZIL'S DEVELOPMENT STRATEGY, TRADE PROSPECTS SUCH AS AFFECTED BY THE TRADE ACT AND THE MULTILATERAL TRADE NEGOTIATIONS, AND THE ROLE OF PRIVATE INVESTMENT IN THE GROWTH PROCESS. THIS WOULD ALSO BE THE PLACE TO DISCUSS IMPLICATIONS OF THE PHASE-OUT OF US AID AND ISSUES OF POST-AID LINKAGES, IF UNDER SECRETARY ROBINSON WISHES TO TOUCH ON THIS SUBJECT. IN VIEW OF CURRENT DEVELOPMENTS IN THIS AREA, HOWEVER, EMBASSY WOULD WISH TO DISCUSS FURTHER ON ARRIVAL THE DESIRABILITY OF THE US AIDE RAISING ISSUES RELATED TO ITEM 4 (C) OF REFTEL.

(2) MORNING (2): MESSRS. FISHLOW, SCHMIDT, AND LANDE WOULD MEET WITH A BRAZILIAN WORKING GROUP TO REVIEW TRADE ISSUES IN GREATER DETAIL AND DEFINE A WORK PROGRAM FOR THE TRADE CONSULTATIVE GROUP.

(3) 13:00 HOURS - LUNCHEON GIVEN BY THE FOREIGN OFFICE.

(4) 15:00 HOURS - MEETING WITH THE FOREIGN MINISTER. IT IS SUGGESTED THAT THIS MEETING BE SET AT THE END OF THE TWO-DAY PROGRAM TO PROVIDE AN OPPORTUNITY FOR SUMMARY AND SYNTHESIS
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OF THE PREVIOUS DISCUSSIONS AND AN AUTHORITATIVE RESTATEMENT OF THE RESPECTIVE POSITIONS. EMBASSY HAS SUGGESTED TO THE FONOFF A TWO-STAGE MEETING, A FIRST SESSION WITH ONLY THE FOREIGN MINISTER AND HIS STAFF, TO BE FOLLOWED BY A MEETING IN WHICH OTHER MINISTERS, WITH WHOM SILVEIRA CONSULTS ON THE ENERGY PROBLEM, WOULD PARTICIPATE. THE FIRST SESSION COULD CONCEIVABLY BE SCHEDULED IN THE

MORNING, PARTICULARLY, FREE TIME FOR A MEETING
WITH THE PRESS IN THE AFTERNOON (SEE PARA 6 BELOW).

THE MEETING WITH THE FOREIGN MINISTER ALONE
COULD FOCUS ON TRADE AND COMMODITY ISSUES, THE WORLD
FOOD PROBLEM, HEMISPHERIC ISSUES, AND THE FORTHCOMING
7TH UNGA SPECIAL SESSION. THIS WOULD
ALSO BE THE FORUM TO PUT FORWARD THE PROPOSAL FOR
AN INFORMAL CONSULTATIVE MECHANISM ON ECONOMIC
ISSUES. THE MEETING WITH THE OTHER MINISTERS
WOULD SPECIFICALLY FOCUS ON THE WORLD ENERGY PROBLEM,
THE US STRATEGY ON THE OIL PRODUCER-CONSUMER DIALOGUE,
AND THE US THREE-COMMISSION PROPOSAL. EVIDENTLY,
HOWEVER, THESE TOPICS WILL OVERLAP AND SILVEIRA
WILL WISH TO LAUNCH INTO THE ENERGY ISSUE EARLY
ON.

3. THE BRAZILIAN REACTION TO THIS PROPOSED SCENARIO
IS STILL UNDER REVIEW, AND THERE MAY BE CHANGES
INSOME OF THIS. FOR EXAMPLE, FONMIN SILVEIRA MAY
WISH TO MEET WITH UNDER SECRETARY ROBINSON EARLIER,
AND HE HAS NOT YET CONCURRED IN THE CONCEPT OF A
MEETING OF THE SEVERAL MINISTERS CONCERNED WITH THE
ENERGY PROBLEM. OUR JUDGMENT, HOWEVER, IS THAT
THIS PARTICULAR SEQUENCE OF EVENTS AND FORMAT WOULD
BEST BE SUITED TO ACCOMPLISH UNDER SECRETARY
ROBINSON'S PURPOSE.

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C O N F I D E N T I A L SECTION 2 OF 2 BRASILIA 5422

4. THE EMBASSY ALSO BELIEVES THAT UNDER SECRETARY ROBINSON SHOULD CALL ON THE MINISTER OF INDUSTRY AND COMMERCE, SEVERO GOMES, WHO HAS RECENTLY EXPRESSED VIEWS ABOUT FOREIGN INVESTMENT SOMEWHAT AT VARIANCE WITH THOSE OF HIS COLLEAGUES IN THE CABINET. THIS COMPLEX MINISTRY, AS THE DEPARTMENT KNOWS, HAS JURISDICTION, INTER ALIA, OVER THE INDUSTRIAL DEVELOPMENT COUNCIL (CDI), THE EXPORT INCENTIVES PROGRAM (BEFIEX), THE STEEL AND NON-FERROUS METALS EXPANSION PROGRAM, INDUSTRIAL TECHNOLOGY (STI), AS WELL AS THE COFFEE BOARD AND THE SUGAR INSTITUTE. IF THE UNDER SECRETARY APPROVES, THE EMBASSY WOULD SEEK TO ARRANGE A SUITABLE SESSION. WE RECOGNIZE THAT POLICY TOWARD FOREIGN COMPANIES WAS NOT SPECIFICALLY MENTIONED IN REFTEL BUT BELIEVE, GIVEN THE MAGNITUDE OF US INVESTMENTS HERE THAT IT WOULD BE DESIRABLE TO TOUCH ON THIS SUBJECT IN MEETINGS WITH SIMONSEN AND SEVERO GOMES.

5. PURSUANT TO PARA 3 REFTEL, EMBASSY PROCEEDS ON THE ASSUMPTION THAT ALL THE MEETINGS WOULD BE RELATIVELY FREE -FORM, AND WILL MAKE NO EFFORT TO AGREE ON A PRECISE SET
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OF SPECIFIC ISSUES FOR EACH MEETING. GENERAL SUBJECT AREAS HAVE BEEN IDENTIFIED AS LISTED
PARA 2 ABOVE.

6. BRAZILIAN MEDIA DOUBTLESS WILL SPECULATE AS TO THE MOTIVATION AND ACTUAL TOPICS OF DISCUSSION OF THE VISIT, AND THERE MAY BE SOME BACKGROUND COMMENTS FROM FONOFF SOURCES WHICH WILL FEED THESE SPECULATIONS; AS USUAL, THE PRESS WILL SUSPECT THAT SOMETHING EITHER OMINOUS AND/OR REQUIRING IMMEDIATE NATIONAL DECISION IS AT STAKE IN THE VISIT OF SUCH A HIGH-LEVEL MISSION. ALTHOUGH COGNIZANT OF THE UNDER SECRETARY'S DESIRE FOR A LOW-PROFILE MEDIA APPROACH, EMBASSY BELIEVES IT WOULD BE DESIRABLE FOR UNDER SECRETARY TO MAKE HIMSELF AVAILABLE TO THE PRESS. SUGGEST DISTRIBUTION OF ARRIVAL STATEMENT EXPLAINING PURPOSE OF VISIT (EMBASSY WILL PROVIDE DRAFT), AND 30-MINUTE MEETING WITH REPORTERS TOWARD END OF THE BRASILIA DISCUSSIONS BEFORE DEPARTURE.

7. ACTION REQUESTED: EMBASSY REQUESTS ANY SPECIFIC
COMMENTS AND SUGGESTIONS THE DEPARTMENT MAY HAVE
AND APPROVAL TO PROCEED WITH ARRANGEMENTS
ALONG THE LINES OF THE PROPOSED SCENARIO.

8. INFORMATION ON HOTEL RESERVATIONS AND OTHER
ARRANGEMENTS WILL FOLLOW SEPTTEL.
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